The following provides a collection of relevant publications regarding Artificial Intelligence (AI) in capital markets and financial services at both the global and jurisdictional level. Previous versions are posted to the newsletter's page on the GFMA website.

February 2025

GFMA, AFME, ASIFMA, and SIFMA

AFME Submits EU AI Act Clarification Request to the European Commission (February 27, 2025)

AFME sent a submission to the European Commission (EC) on key aspects of the EU AI Act where the financial industry seeks clarifications and guidance. The submission includes a set of detailed questions where AFME members would be grateful for clarity and it notes that AFME trusts "that the European Commission will consider these requests for clarification and guidance, which are crucial for ensuring compliance and fostering a robust AI ecosystem in the EU."

GLOBAL

BIS IFC Report on SDMX Adoption and Use of Open Source Tools by Central Banks Finds SDMX Can Serve as a Catalyst to Harness AI Capabilities in Central Banks (February 28, 2025)

The Bank for International Settlements (BIS) Irving Fisher Committee on Central Bank Statistics (IFC) published a report on the Statistical Data and Metadata eXchange (SDMX) standard adoption and use of open source tools by central banks. The report finds that "SDMX can serve as a catalyst to harness artificial intelligence (AI) capabilities in central banks, enabling more automated data processing, improved data quality and streamlined data discovery."

FSB Chair's Letter Includes Focus on Digital Innovation and Highlights Expected AI Report to the G20 (February 24, 2025)

The Financial Stability Board (FSB) published a letter from its Chair, Klaas Knot, to the G20 Finance Ministers and Central Bank Governors ahead of their meeting on 26-27 February. The letter outlines key FSB issues for 2025 including digital innovation. It also includes a list of expected reports to the G20 including one on "Vulnerabilities associated with the use of artificial intelligence in finance" expected for October 2025.

BIS Publishes Working Paper on Putting AI Agents Through Their Paces on General Tasks (February 21, 2025)

As part of their Working Papers series, the Bank for International Settlements (BIS), published a paper titled "Putting AI agents through their paces on general tasks." The paper finds that "in the near term, AI agents are more likely to be used as co-pilots that enhance the work of human operators rather than as autonomous agents that displace human workers."

[BIS Publishes Working Paper on AI and Relationship Lending (February 19, 2025)](#)
The Bank for International Settlements (BIS) published a paper on "Artificial Intelligence and Relationship Lending." The paper finds that "AI helps banks to reduce the typical countercyclical effects of relationship lending on firms' credit supply, as well as on their investment and employment decisions."

[Paris Hosts AI Action Summit (February 6-11, 2025)](#)
The 2025 AI Action Summit was hosted in Paris from 6-11 February. This gathering included "Heads of State and Government, leaders of international organizations, CEOs of small and large companies, representatives of academia, non-governmental organizations, artists and members of civil society." Full details on the event including the work program, news, and publications can be found on the event [website](#). The press kit is also available [here](#).

NORTH AMERICA

United States

[FRB Vice Chair for Supervision Delivers Speech on Hypothetical Future AI Scenarios (February 18, 2025)](#)
Michael S Barr, Vice Chair for Supervision of the Board of Governors of the Federal Reserve System (FRB), delivered a speech on "Artificial intelligence - hypothetical scenarios for the future." The speech outlines two hypothetical scenarios including "incremental progress with widespread productivity gains" and "transformative change." The speech also highlights potential benefits and risks under each scenario, as well as recommended actions for both the private and official sectors.

[NIST NCCoE Publishes Cybersecurity and AI Workshop Concept Paper (February 14, 2025)](#)
The National Institute of Standards and Technology (NIST) National Cybersecurity Center of Excellence (NCCoE) published a "Cybersecurity and AI Workshop Concept Paper." Feedback on the paper is requested by 14 March 2025 and the inputs will be used to inform discussions during their upcoming workshop on 3 April 2025. Overview details can be found [here](#).

[Vice President Vance Delivers Remarks at the AI Action Summit in Paris (February 11, 2025)](#)
Vice President Vance delivered remarks at the AI Action Summit in Paris (for more details on the Summit, see the Global section of this newsletter). The remarks noted that "this administration will ensure that American AI technology continues to be the gold standard worldwide and we are the partner of choice for others -- foreign countries and certainly businesses -- as they expand their own use of AI." The remarks also note that the administration believes "that excessive regulation… could kill a transformative industry just as it's taking off."

[National Science Foundation Issues RFI on the Development of an AI Action Plan (February 6, 2025)](#)
The National Science Foundation published a "Request for Information on the Development of an Artificial Intelligence (AI) Action Plan" (RFI) to the Federal Register. This plan is directed by the Presidential Executive Order from 23 January 2025, and this RFI seeks "input from the public, including academia, industry groups, private sector organizations, state, local, and tribal governments, and any other interested parties, on priority actions that should be included in the Plan." Responses are requested by 15 March 2025.

[FRB Governor Bowman Highlights the Importance of Innovation in Banking (February 5, 2025)](#)
Federal Reserve Board (FRB) Governor Michelle W. Bowman delivered a speech on "Bank Regulation in 2025 and Beyond." In her remarks, she urged that "we must prioritize understanding the risks and benefits of new technologies before developing a supervisory posture" and that "we must create a supervisory and regulatory environment that facilitates reasonable and supportive approaches."

[DHS OIG Publishes Final Report on AI (January 30, 2025)](#)
The Office of the Inspector General (OIG) of the US Department of Homeland Security (DHS) published a final report titled "DHS Has Taken Steps to Develop and Govern Artificial Intelligence, But More Action is Needed to Ensure Appropriate Use." The report includes "20 recommendations aimed at improving DHS' governance of artificial intelligence."

EUROPE

European Union

[ESMA Publishes Article on AI in EU Investment Funds (February 25, 2025)](#)
The European Securities and Markets Authority (ESMA) published an article titled "Artificial Intelligence in EU investment funds: adoption strategies and portfolio exposures." The article studies "operational use of AI by fund managers" and assesses "investment in AI."

[European Commission President Announces Launch of Broad AI Strategy (January 29, 2025)](#)
Ursula von der Leyen, President of the European Commission, delivered a statement on the "EU Competitiveness Compass." In the statement, she noted that the EU will "launch a broad AI Strategy for our continent" and that "it will include an 'Apply AI' initiative to drive industrial adoption on artificial intelligence in key sectors."

France

[Denis Beau Delivers Speech on the Foundations of Trustworthy AI in the Financial Sector (February 4, 2025)](#)
Denis Beau, First Deputy Governor of the Banque de France, delivered a speech on "The Foundations of Trustworthy AI in the Financial Sector." The speech highlights potential benefits and risks form use of AI in the financial sector, as well as efforts by the official sector in France and the EU on this topic.

Germany

Sabine Mauderer Highlights the Importance of AI for the Future of the Financial Industry in Europe (February 12, 2025)

Dr Sabine Mauderer, First Deputy Governor of the Deutsche Bundesbank, delivered a speech titled "The European financial industry of the future." In her remarks, she highlighted efforts in the EU related to AI and discussed both its potential benefits and risks. Regarding AI and its potential benefits and risks, she urged that it is "necessary to find a compromise between having the courage to innovate – and clear rules."

Ireland

Derville Rowland Highlights AI as a Focus Area for the Central Bank of Ireland's Innovation Sandbox Programme (February 4, 2025)

Derville Rowland, Deputy Governor of the Central Bank of Ireland, delivered a speech on "Innovation and technology in financial crime." In her remarks, she highlighted that "the use of AI, machine learning, and pattern recognition to detect and prevent fraud" is a key focus of their Innovation Sandbox Programme which was launched in December 2024.

Italy

Paolo Angelini Delivers Speech on Data Science in Central Banking at Workshop Focused on GenAI (February 25, 2025)

Paolo Angelini, Deputy Governor of the Bank of Italy, delivered a speech on "Data science in central banking" at the 4th Irving Fisher Committee and Banca d'Italia Workshop. The focus of this workshop was "Generative Artificial Intelligence (AI) and its application in central banking."

United Kingdom

UK Government Publishes Overview Paper on GenAI (February 10, 2025)

As part of its AI Insights series, the UK Government Digital Service published a guidance resource titled "AI Insights: Generative AI." This "serves as an introductory overview or refresher to the fundamental concepts and considerations associated with generative AI."

Sasha Mills Highlights Potential Impact of Innovation on FMIs (February 10, 2025)

Sasha Mills, Executive Director, Financial Market Infrastructure at the Bank of England (BoE), delivered a speech on "Financial Market Infrastructure (FMI) Regulation in a Changing World: Our Priorities for 2025." The remarks called for "playing our respective roles in embracing responsible innovation" and noted there is a "huge potential in Artificial Intelligence (AI) as a tool to help monitor market activity and risk."

APAC

India

[Rajeshwar Rao Delivers Speech Highlighting the Impacts of AI (February 21, 2025)](#)
Rajeshwar Rao, Deputy Governor of the Reserve Bank of India (RBI), delivered the inaugural address at a conference focused on "Finance for Growth Amid Creative Disruptions." The remarks highlight potential impacts from digitalization and artificial intelligence and notes that "these changes make it essential for us to understand how to harness them for sustainable economic growth."

[SEBI Sets Out Regulatory Framework for Algorithmic Trading by Retail Investors (February 4, 2025)](#)
SEBI issued a Circular on the regulatory framework for algorithmic trading (algo) by retail investors through brokers, including the use of application programming interface (API), roles and responsibilities of stock brokers and exchanges, empanelment and registration of algo providers and implementation standards, with effect from 1 August 2025.

SEBI Publishes Guidelines for Investment Advisers and Research Analysts on the Use of AI (January 8, 2025)
The Securities and Exchange Board of India (SEBI) published [Guidelines for Investment Advisers (IAs)](#) and [Guidelines for Research Analysts (RAs)](#) following the notification of amendments to IA and RA Regulations from 16 December 2024. These address multiple topics including the use of artificial intelligence.

Singapore

[Singapore Announces New AI Safety Initiatives (February 11, 2025)](#)
Singapore's Minister for Digital Development and Information, Josephine Teo, announced new initiatives to enhance the safety of AI, including the launch of the Global AI Assurance Pilot that aims to establish global best practices around technical testing of GenAI applications and two reports on testing Large Language Models (LLMs).